

**701—32.8(423) Exemption for building materials used outside this state.** The use in Iowa by a contractor-retailer, manufacturer, or manufacturer's subcontractor of building materials, supplies, or equipment in the performance of construction contracts outside this state, the sale or use of which is not treated as a retail sale in this state under rule 701—19.5(422), is not subject to use tax.

This rule is intended to implement Iowa Code subsection 423.1(10).